

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5062-01
Bill No.: HB 2173
Subject: Insurance – Medical; Labor and Management; State Employees
Type: Original
Date: April 12, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate, Missouri House of Representatives, Departments of Agriculture, Conservation, Corrections, Economic Development, Elementary and Secondary Education, Health and Senior Services, Higher Education, Insurance, Labor and Industrial Relations, Mental Health, Natural Resources, Public Safety, Revenue, and Social Services** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Transportation (DHT)** assume the Missouri Highways and Transportation Commission (MHTC) would be required to provide the same amount of state contribution as is presently provided for life and medical insurance and therefore assume no fiscal impact to MHTC. DHT note this legislation could result in fewer employees being enrolled in the life and medical insurance of the Highway & Patrol Medical Plan. DHT assumes a fiscal impact may or may not occur if the Medical Plan's enrollment declines, but are unable to determine the fiscal impact to the Highway & Patrol Medical Plan.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** assume the fiscal impact of the proposed legislation, as written, is undeterminable. HCP notes there would be some administrative costs associated with the establishment of the proposal, especially if it is administered through the Office of Administration.

Officials from the **Office of Administration – Division of Accounting (COA)** assume the proposal would result in an unknown impact to General Revenue. COA states central payroll and cafeteria plan administration costs will increase for additional health care plans provided by unions. Dilution of members of the primary health care plan may increase the state's share and employees share of health care costs. Funding of flexible benefit plan for those represented by unions will be difficult to calculate and administer.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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GENERAL REVENUE

<u>Costs – COA</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Due to Increased Administrative Costs			
Due to Potential Increase in Health Care Costs			

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows state employees covered by collective bargaining agreements to choose benefit plans administered by a labor organization. Such plans shall permit employees to select benefit options based on an amount appropriated for each employee and the cost of each benefit.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Senate
 Missouri House of Representatives
 Office of Administration – Division of Accounting
 Department of Agriculture
 Department of Conservation
 Department of Economic Development
 Department of Elementary and Secondary Education
 Department of Health and Senior Services
 Department of Higher Education
 Department of Insurance
 Department of Labor and Industrial Relations
 Department of Mental Health
 Department of Natural Resources
 Department of Public Safety
 Department of Revenue

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Department of Transportation
Department of Social Services
Department of Corrections
Missouri Consolidated Health Care Plan

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
April 15, 2002